

STATE OF TENNESSEE  
ECONOMIC CHARACTERISTICS\*

TENNESSEE'S ECONOMIC GROWTH

The economic future for Tennessee remains bright. Characteristics of the state which have been identified as important reasons why firms have chosen Tennessee sites include work-force related factors such as worker productivity, right-to-work laws and low unionization, as well as access to markets and pro-business attitude of the state. Other factors include relatively inexpensive energy, plentiful natural resources and sun-belt location. Tennessee's gross state product as a percentage of gross domestic product increased from 1.7% in 1988 to 1.9% in 1997, and personal income was 1.67% in 1988 and 1.78% in 1997.

(Expressed in Millions)

<u>YEAR</u>	<u>GROSS STATE PRODUCT</u>	<u>PERSONAL INCOME</u>	<u>DISPOSABLE PERSONAL INCOME</u>
1988	\$75,286	\$68,379	\$61,866
1989	79,606	73,179	65,749
1990	82,585	79,689	70,020
1991	87,819	83,954	73,635
1992	94,142	91,538	79,822
1993	103,216	96,657	84,185
1994	112,333	103,398	89,756
1995	120,441	110,578	95,160
1996	142,979	116,756	103,420
1997	149,592 (EST)	112,529 (EST)	109,456 (EST)

TENNESSEE GROSS STATE PRODUCT BY SECTOR

(Expressed in Millions)

	<u>1987</u>	<u>1992</u>	<u>1997 (EST)</u>	<u>SECTOR AS PERCENTAGE OF 1997 TOTAL</u>
MANUFACTURING	\$20,216	\$26,716	\$33,673	22.5%
CONSTRUCTION	3,554	3,791	6,010	4.0%
MINING	398	404	468	0.3%
TRADE	14,672	19,630	28,220	18.9%
SERVICES	12,614	20,675	29,413	19.7%
FINANCE, INSURANCE AND REAL ESTATE	10,862	14,116	19,472	13.0%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	6,669	8,770	12,652	8.5%
FEDERAL GOVERNMENT	4,173	4,370	5,409	3.6%
STATE & LOCAL GOVERNMENT	6,673	9,015	11,954	8.0%
AGRICULTURE	1,290	1,627	2,320	1.6%
<b>TOTAL GROSS STATE PRODUCT</b>	<b>\$81,121</b>	<b>\$109,114</b>	<b>\$149,591</b>	<b>100.0%</b>

TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR

PERCENTAGE  
CHANGE  
(From 1987 to 1997)

	<u>1987</u>	<u>1992</u>	<u>1997 (EST)</u>	
MANUFACTURING	\$21,504	\$27,155	\$32,353	50.5%
CONSTRUCTION	20,593	25,166	30,302	47.1%
MINING	25,135	30,151	39,111	55.6%
TRADE	14,610	17,879	20,763	42.1%
SERVICES	18,183	22,551	26,439	45.4%
FINANCE, INSURANCE AND REAL ESTATE	23,128	28,970	35,066	51.6%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	26,510	31,090	35,824	35.1%
FEDERAL GOVERNMENT	28,611	35,081	45,405	58.7%
STATE & LOCAL GOVERNMENT	17,754	20,238	24,503	38.0%
AGRICULTURE	7,148	7,462	10,420	45.8%
<b>AVERAGE ALL SECTORS</b>	<b>\$20,318</b>	<b>\$24,574</b>	<b>\$30,019</b>	<b>47.7%</b>

\* Except as otherwise noted, the source for all economic information presented is An Economic Report to the Governor of the State of Tennessee on the State's Economic Outlook 1998 developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville. The source for disposable income is the magazine "Survey of Current Business."

## MANUFACTURING

Manufacturing investment in Tennessee totaled \$2.9 billion in 1997, marking the fifteenth consecutive billion dollar year for the state. The combined new plant and expansion projects announced are expected to create 19,543 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

### TENNESSEE MANUFACTURING GROSS PRODUCT

(Expressed in Millions)

	1987	1992	1997 (EST)	PERCENTAGE CHANGE (FROM 1987 TO 1997)
DURABLES:				
FURNITURE & FIXTURES	\$ 646	\$ 836	\$ 999	54.6%
FABRICATED METALS	1,771	2,320	2,861	61.5%
NONELECTRICAL MACHINERY	1,628	2,269	2,997	84.1%
ELECTRICAL MACHINERY	1,438	1,650	2,339	62.7%
TRANSPORTATION EQUIPMENT	1,810	2,669	4,929	172.3%
OTHER	2,787	3,412	4,783	71.6%
TOTAL DURABLE	10,080	13,156	18,908	87.6%
NONDURABLE:				
FOOD	2,055	2,735	3,011	46.5%
TEXTILES	607	730	612	0.8%
APPAREL	1,122	1,501	1,022	-8.9%
PAPER	1,204	1,398	1,494	24.1%
PRINTING & PUBLISHING	1,083	1,502	1,931	78.3%
CHEMICALS	2,449	3,607	4,142	69.1%
RUBBER & PLASTICS	1,109	1,412	1,977	78.3%
OTHER	507	673	578	14.0%
TOTAL NONDURABLE	10,136	13,558	14,767	45.7%
TOTALS	\$ 20,216	\$ 26,714	\$ 33,675	66.6%

### TENNESSEE MANUFACTURING EMPLOYMENT

(Expressed in Millions)

	1987	1992	1997 (EST)	PERCENTAGE CHANGE (FROM 1987 TO 1997)
DURABLES:				
FURNITURE & FIXTURES	24.7	27.4	27.5	11.3%
FABRICATED METALS	39.9	42.0	43.3	8.5%
NONELECTRICAL MACHINERY	36.4	37.3	44.3	21.7%
ELECTRICAL MACHINERY	35.7	35.8	40.3	12.9%
TRANSPORTATION EQUIPMENT	34.7	45.3	53.5	54.2%
OTHER	73.0	69.6	77.0	5.5%
TOTAL DURABLE	244.4	257.4	285.9	17.0%
NONDURABLE:				
FOOD	38.7	36.5	35.4	-8.5%
TEXTILES	24.0	20.7	18.7	-22.1%
APPAREL	64.7	60.9	39.6	-38.8%
PAPER	18.9	22.2	21.3	12.7%
PRINTING & PUBLISHING	33.9	36.5	39.1	15.3%
CHEMICALS	37.4	39.6	36.6	-2.1%
RUBBER & PLASTICS	23.9	30.2	32.5	36.0%
OTHER	11.6	10.5	6.4	-45.0%
TOTAL NONDURABLE	253.1	257.1	229.6	-9.3%
TOTALS	497.5	514.5	515.5	3.6%

## INDUSTRIAL GROWTH IN TENNESSEE

## NEW PLANTS AND EXPANSIONS

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
NUMBER:										
NEW	132	92	80	76	72	60	81	80	106	80
EXPANSIONS	173	797	788	424	957	1,013	886	864	563	961
	305	889	868	500	1,029	1,073	967	944	669	1,041
INVESTMENT										
(In Thousands):										
NEW	\$517,912	\$898,084	\$661,359	\$578,596	\$210,362	\$178,234	\$694,517	\$1,005,577	\$579,598	\$463,844
EXPANSION	1,041,701	2,307,740	1,136,002	827,082	1,917,229	1,875,672	1,787,295	2,254,233	2,805,861	2,400,932
	\$1,559,613	\$3,205,824	\$1,797,361	\$1,405,678	\$2,127,591	\$2,053,906	\$2,481,812	\$3,259,810	\$3,385,459	\$2,864,776
JOB OPPORTUNITIES:										
NEW	10,634	7,753	7,171	4,831	4,534	5,515	9,538	4,862	8,820	4,904
EXPANSIONS	8,111	20,759	12,457	10,880	20,030	18,306	16,779	12,485	12,043	14,639
	18,745	28,512	19,628	15,711	24,564	23,821	26,317	17,347	20,863	19,543

## TOP FIFTY TENNESSEE COMPANIES

(Ranked by Number of Employees in Tennessee)

COMPANY	NUMBER OF EMPLOYEES	COMPANY	NUMBER OF EMPLOYEES
1. FEDERAL EXPRESS CORPORATION	25,126	26. TRW	3,188
2. TENNESSEE EASTMAN COMPANY	17,500	27. COVENANT TRANSPORT	3,065
3. MARTIN MARIETTA CORPORATION	16,760	28. JOHNSON CONTROLS	3,015
4. KROGER	11,000	29. CRACKER BARREL OLD COUNTRY STORE, INC.	3,010
5. OPRYLAND USA/GAYLORD ENTERTAINMENT CO.	9,000	30. MALONE & HYDE	3,009
6. GENERAL MOTORS CORPORATION-SATURN	7,889	31. GOODYEAR TIRE & RUBBER COMPANY	3,000
7. SOUTH CENTRAL BELL	6,500	32. SUNTRUST BANK	2,985
8. NISSAN	6,000	33. PROVIDENT	2,976
9. K-MART CORPORATION	5,700	34. MCKEE BAKING COMPANY	2,922
10. UNITED PARCEL SERVICE	5,500	35. TEXTRON	2,910
11. GENESCO	5,408	36. ALLIED SIGNAL	2,831
12. MASCO	5,337	37. MAGNETEK	2,791
13. LEVI STRAUSS & COMPANY	5,010	38. DANA CORP.	2,765
14. INTER CITY PRODUCTS CORPORATION, USA	5,000	39. ANCHOR ADVANCE PRODUCTS	2,750
15. COLUMBIA/HCA HEALTHCARE CORPORATION	4,805	40. REGIONAL MEDICAL CENTER AT MEMPHIS	2,700
16. METHODIST HEALTH SYSTEMS, INC.	4,500	41. KRYSTAL	2,695
17. TOMPKINS	4,416	42. STATE INDUSTRIES	2,672
18. QUEBECOR CORPORATION	4,256	43. GANNETT COMPANY	2,559
19. SHONEY'S	4,125	44. MAYTAG CORPORATION	2,550
20. FIRST TENNESSEE BANK	3,800	45. B B & T MANAGEMENT	2,462
21. PHILIPS CONSUMER ELECTRONICS COMPANY	3,650	46. BRIDGESTONE CORPORATION	2,445
22. FIRST AMERICAN NATIONAL BANK	3,464	47. COCA-COLA, INC.	2,406
23. HENRY I. SIEGEL COMPANY	3,401	48. ALLIED CLINICAL LABORATORIES	2,400
24. SERVICE MERCHANDISE	3,350	49. DEROYAL INDUSTRIES, INC.	2,245
25. DUPONT	3,210	50. UNITED TECHNOLOGIES CORPORATION	2,215

SOURCES: Tennessee Department of Economic and Community Development and DUN &amp; BRADSTREET BUSINESS RANKINGS 1997.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS

(Expressed in Millions)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997(EST)
CROPS	\$869.6	\$863.3	\$946.3	\$901.7	\$1,092.0	\$1,063.9	\$1,199.9	\$1,227.8	\$1,374.1	\$1,286.7
MEAT ANIMALS	635.7	605.7	594.8	586.4	542.5	482.3	498.4	420.2	463.0	494.9
DAIRY PRODUCTS	261.5	267.1	281.1	239.1	260.8	250.2	247.4	239.4	253.6	223.5
POULTRY AND EGGS	134.3	167.6	147.6	159.8	166.2	199.8	197.0	203.4	251.7	256.8
	\$1,901.1	\$1,903.7	\$1,969.8	\$1,887.0	\$2,061.5	\$1,996.2	\$2,142.7	\$2,090.8	\$2,342.4	\$2,261.9

POPULATION AND EMPLOYMENT TREND

The state's population has grown steadily in recent history by over one-half of 1% per year.

(Expressed in Thousands except Unemployment Rates)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997(EST)
POPULATION	4,822	4,854	4,891	4,951	5,020	5,094	5,176	5,256	5,327	5,398
LABOR FORCE	2,338	2,368	2,387	2,421	2,455	2,500	2,663	2,712	2,759	2,708
TOTAL EMPLOYMENT	2,203	2,247	2,261	2,258	2,298	2,357	2,536	2,571	2,623	2,562
UNEMPLOYMENT	135	121	126	163	158	144	127	141	136	146
TN UNEMPLOYMENT RATE	5.8%	5.1%	5.3%	6.7%	6.4%	5.7%	4.8%	5.2%	4.9%	5.4%
U.S. UNEMPLOYMENT RATE	5.5%	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%

BANK DEPOSITS, SALES AND EFFECTIVE BUYING INCOME

(Expressed in Millions)

(Expressed  
in Thousands)

<u>YEAR</u>	<u>BANK DEPOSITS</u>	<u>SALES</u>	<u>EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD</u>
1988	\$36,297	\$38,903	20.9
1989	38,196	40,438	22.2
1990	39,872	41,991	23.6
1991	41,339	42,650	27.0
1992	44,105	45,473	28.5
1993	46,596	49,112	30.1
1994	48,531	53,778	31.8
1995	52,321	57,943	29.1
1996	57,219	60,636	39.4
1997	54,302	65,992	31.5

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES  
VALUATION OF BUILDING PERMIT ISSUED

(Expressed in Thousands)

<u>YEAR</u>	<u>VALUATION</u>	<u>YEAR</u>	<u>VALUATION</u>
1988	\$1,660,147	1993	\$2,171,097
1989	1,450,794	1994	2,538,773
1990	1,317,082	1995	2,838,290
1991	1,358,758	1996	3,334,419
1992	1,779,702	1997	3,103,939

SOURCE: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Summary, Sales and Marketing Management, U.S. Bureau of the Census Construction Reports, Tennessee Agricultural Statistics service Cash Receipts Estimates, and Tennessee Department of Financial Institutions Annual Report.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

<u>YEAR</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>APPRAISED/ ESTIMATED CURRENT VALUE</u>	<u>PERSONAL INCOME</u>	<u>PER CAPIT. INCOME</u>
1988	4,822	\$32,519,000	\$129,813,000	\$68,379,000	14.2
1989	4,854	36,511,000	144,957,000	73,179,000	15.1
1990	4,891	38,312,000	150,701,000	79,689,000	16.3
1991	4,951	43,109,000	161,366,000	83,954,000	17.0
1992	5,020	44,672,000	162,609,000	91,538,000	18.2
1993	5,094	49,593,000	170,264,000	96,657,000	19.0
1994	5,176	51,686,000	176,895,000	103,398,000	20.0
1995	5,256	53,915,000	191,993,000	110,578,000	21.0
1996	5,327	56,072,000	207,352,000	115,613,000	21.7
1997	5,398	56,494,000 (EST)	225,320,000 (EST)	122,529,000 (EST)	22.7

PUBLIC SCHOOL ENROLLMENT GRADES K-12

<u>ACADEMIC YEAR</u>	<u>GRADES K-3</u>	<u>GRADES 4-6</u>	<u>GRADES 7-9</u>	<u>GRADES 10-12</u>	<u>TOTAL K-12</u>
1988-89	276,021	194,153	196,378	175,765	842,317
1989-90	276,891	196,308	197,306	170,340	840,845
1990-91	283,395	203,861	203,560	171,040	861,856
1991-92	285,071	207,836	208,853	170,553	872,313
1992-93	287,687	210,294	213,561	174,909	886,451
1993-94	294,876	212,082	219,896	177,743	904,597
1994-95	300,440	213,703	222,982	179,552	916,677
1995-96	308,006	215,579	225,154	180,969	929,708
1996-97	316,094	217,823	226,287	183,852	944,056
1997-98	320,784	221,651	227,097	187,172	956,704

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
UNIVERSITIES:										
AUTSTIN PEAY STATE	3,983	4,630	4,629	5,440	5,709	5,992	5,740	5,763	6,072	5,968
EAST TENNESSEE STATE	8,957	9,292	9,454	9,782	9,667	9,321	9,312	9,355	9,450	9,549
MIDDLE TENNESSEE STATE	11,388	12,151	12,751	13,346	14,239	14,629	14,226	14,504	14,916	15,455
TENNESSEE STATE	5,815	5,805	5,690	5,802	5,957	6,110	6,438	6,787	7,007	7,168
TENNESSEE TECHNOLOGICAL	7,371	7,080	7,297	7,071	7,473	7,472	7,353	7,303	7,230	7,287
UNIVERISTY OF MEMPHIS**	15,285	15,532	15,610	15,421	15,254	15,317	15,177	15,495	15,001	15,452
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	5,769	5,850	6,000	6,216	6,375	6,515	6,438	6,540	6,608	6,816
KNOXVILLE	20,742	21,025	21,544	21,793	22,065	21,696	21,575	21,454	21,528	21,819
MARTIN	4,283	4,744	5,055	5,210	5,333	5,313	5,308	5,497	5,376	5,607
TOTAL UNIVERSITIES	83,593	86,109	88,030	90,081	92,072	92,365	91,567	92,698	93,188	95,121
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH	3,710	4,243	4,660	5,107	5,369	5,214	5,144	4,982	5,427	5,227
CLEVELAND STATE	1,798	1,860	2,052	2,137	2,234	2,151	1,929	2,204	2,111	2,376
COLUMBIA STATE	1,606	1,821	2,045	2,177	2,361	2,255	2,331	2,501	2,639	2,820
DYERSBURG STATE	976	1,114	1,230	1,357	1,289	1,357	1,380	1,373	1,531	1,533
JACKSON STATE	1,663	1,850	2,035	2,159	2,188	2,143	2,088	2,155	2,223	2,328
MOTLOW STATE	1,438	1,574	1,794	2,013	2,150	2,117	2,133	2,077	2,116	2,287
NORTHEAST STATE TECH	*	*	1,804	2,058	2,222	2,288	2,372	2,314	2,459	2,422
PELLISSIPPI STATE TECH	2,038	3,145	4,022	4,818	5,098	4,941	4,866	4,768	5,003	5,217
ROANE STATE	2,663	3,044	3,376	3,589	3,848	3,713	3,614	3,591	3,688	3,720
SHELBY STATE	2,589	2,845	2,946	4,068	4,482	4,567	4,189	3,998	3,740	3,193
VOLUNTEER STATE	2,110	2,246	2,585	3,046	3,369	3,611	3,783	3,904	4,129	4,236
WALTERS STATE	2,276	2,636	2,934	3,357	3,542	3,520	3,602	3,507	3,731	3,807
TOTAL COMMUNITY COLLEGES	22,867	26,378	31,483	35,886	38,152	37,877	37,431	37,374	38,797	39,166
TOTAL ALL INSTITUTIONS	106,460	112,487	119,513	125,967	130,224	130,242	128,998	130,072	131,985	134,287

\* Effective July 1, 1990 Tri-City State Technical Institute became Northeast State Community College.

\*\* Effective July 1, 1994 Memphis State University became University of Memphis.

SOURCES: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.